

# Small Businesses Partnering with National Labs Act of 2019

Senator Coons, Senator Risch, Senator Smith, Senator Gardner

## Background

Small businesses are the lifeblood of the American economy. However, the cost of investing in necessary but expensive capital equipment often prohibits small businesses from pursuing truly innovative ideas and developing groundbreaking products. In order to address these challenges, a compelling new policy called “innovation vouchers” is gaining popularity internationally as a means for businesses to gain access to premier facilities at federal research institutions. Such voucher programs have seen success in several countries, including Canada, Germany, and Sweden. Currently, the U.S. does not have a federal innovation voucher program, and is consequently being quickly outpaced by international competitors on the global innovation landscape.

To address this problem, the Department of Energy (DOE) has been experimenting with two very successful pilot voucher programs. These pilot programs award vouchers to small businesses that can be used to leverage expertise and research facilities at DOE national labs at a discounted price, helping small businesses advance technologies along the innovation pipeline, from idea to product. The typical voucher amount ranges from \$50,000 to \$300,000.

The existing DOE pilot programs have enjoyed great success in forming partnerships between small businesses and DOE national labs. One of the voucher programs, run by the Office of Energy Efficiency and Renewable Energy (EERE), has facilitated cooperation with 114 companies from 31 states. The success of the pilot program indicates that this is a proven model that should be strengthened in order to build a more robust ecosystem of national lab and small business collaboration. However, the existing programs at DOE are limited in scope to only nuclear- and energy-related technologies and are utilized at only half of the DOE-funded national labs. This bill addresses both of these issues. The national lab network within the U.S. is an underutilized resource that can act as a pathway for small businesses to move their products through the innovation pipeline; helping to grow businesses, create jobs, and boost the American economy.

## Small Businesses Partnering with National Labs Act of 2019:

To advance U.S. economic competitiveness and innovation, this bill expands upon existing programs at DOE national labs by authorizing a new voucher program in statute, allowing the vouchers to be used in any technology area and expanding the program to operate at all DOE national labs.

1. **Technology commercialization.** The bill promotes partnerships that will directly support technology commercialization at small businesses through development, demonstration, and commercial application activities.
2. **Contracting mechanism.** The bill instructs the Secretary of the DOE to develop an expedited contracting mechanism to streamline the approval process for applications, ensuring that businesses receive vouchers in a timely manner to help accelerate product delivery to market.
3. **Authorization.** The bill authorizes \$25,000,000 annually for the entire DOE small business advocacy effort in order to accommodate the broader scope of the effort.
4. **Cost-sharing.** The bill requires participating small businesses to provide a 20% cost share for research and development activities and a 50% cost share for demonstration and commercial application activities, as per existing DOE guidelines, to ensure that companies have a vested interest in the success of the collaboration with the national lab.